requisite the technical expertise to take up Underground Coal Gasification projects themselves, some companies have attempted tie ups with agencies in other countries to study, develop and ultimately commercialize the technology for Indian coal and lignite resources. Oil and Natural Gas Corporation Ltd. have entered into a Memorandum of Understanding (MoU) with the Skotchinsky Institute of Mining, Russia as well as Coal India Ltd. (CIL for the purpose. GAIL (India) Ltd. have entered into an MoU with M/s Ergo Exergy Technologies Inc., Canada. The actual potential of UCG can only be known after undertaking pilot studies on its commerciality. The size of investments in UCG will depend on the results of initial studies/pilot tests.

**Allocation of kerosene to Orissa**

2993. MS. PRAMILA BOHIDAR:
SHRI B.J. PANDA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the State Government of Orissa has made a request for enhencement of allocation of 40,000 KL kerosene per month to the State to meet the needs of remote and un-electrified areas of the backward State;

(b) whether it is a fact that the Centre has only made additional allocation of 9871 KL on 25th January, 2005 per month for two months, which falls short of the bare requirements;

(c) whether Government propose to enhance it to at least 40,000 KL per month as already requested by the State Government; and

(d) if so, the status thereof and the time-frame within which this would be agreed to?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR):(a) This Ministry has received representations from various State Government/Union Territories, including the Government of Orissa, for the enhancement of their SKO quota.

(b) Yes, Sir. Additional allocation of kerosene of 9871 KL (7682 MT)

was made to the State of Orissa during January to March, 2005 to meet urgent demand in the State.

(c) and (d) PDS kerosene has been allocated to States/UTs on a historical basis. In accordance with the policy adopted by the Government of India in 2000, Kerosene (SKO) allocation for distribution under the Public Distribution System (PDS) was reduced every year beginning 2001-02 till 2003-04, taking into account the number of LPG connections released in each State/Union Territory. While the initial allotment for 2004-05 was based on the criteria adopted hitherto, additional allocations were made during the year to meet ugent emergent demand. For the year 2005-06, allocations have been maintained at the level of 2004-05, including additional allocations made during that year.

With a view to assessing the genunie demand of kerosene in different States/UTs, in December 2004, the Government commissioned the first-ever comprehensive study of the subject through the National Council for Applied Economic Research (NCAER). NCAER have submitted their report in October 2005. It is being examined with a view to rationalizing the allocation of PDS kerosene amongst States/UTs.

**MoU with Korea in oil sector**

2994. SHRI ANAND SHARMA : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have signed and MoU with Korea for oil exploration and production; and

(b) if so, the details thereof and the likely impact on oil industry in the country?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR):(a) and (b) Yes, Sir. A Memorandum of Understanding was signed on 25.11.2005 between the Ministry of Petroleum and Natural Gas and the Ministry of Commerce, Industry and Energy of the Republic of Korea for cooperation in the field of oil and natural gas.

The main areas of cooperation include the following:

1. Tie-ups between Indian and Korean companies in undertaking E&P initiatives in third countries;